

Message Text

CONFIDENTIAL

PAGE 01 TOKYO 05371 01 OF 02 311238Z
ACTION ARA-10

INFO OCT-01 SS-14 ISO-00 EB-04 TRSE-00 OMB-01 NSC-05
SP-02 INR-05 CIAE-00 DODE-00 NSAE-00 L-01 EA-06
IO-06 /055 W
-----057738 311309Z /43
R 311145Z MAR 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 6662
INFO AMEMBASSY LIMA

C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 05371

LIMDIS

E.O. 11652: GDS
TAGS: EFIN, PE, JA
SUBJECT: PERU'S BALANCE OF PAYMENTS CRISIS

REF: (A) STATE 77638, (B) LIMA 2598

1. SUMMARY: FOREIGN OFFICE DOES NOT CONSIDER PERU SITUATION AS SERIOUS AS WE DO. SINCE BULK OF INDEBTEDNESS IS PRIVATE, PRIVATE BANKS HAVE BEEN HANDLING IT, AND GOJ HAS NO PLANS FOR INTERVENING. FOREIGN OFFICE FEELS PERU DISCUSSIONS AT IMF AND WITH PRIVATE BANKS IN U.S. AND EUROPE SEEM TO BE MAKING PROGRESS. END SUMMARY.

2. WE DISCUSSED PERU DEBT CRISIS WEDNESDAY AFTERNOON WITH HORIMURA, DEPUTY DIRECTOR, FIRST CENTRAL AND SOUTH AMERICA DIVISION, MOFA, WHO WAS ACCOMPANIED BY KAWASHIMA, OFFICER RESPONSIBLE FOR L.A. ECONOMIC ISSUES. HORIMURA WAS AWARE OF THE DISCUSSION BETWEEN AMBASSADOR SHLAUDEMAN AND AMBASSADOR KIMOTO IN LIMA. WE EMPHASIZED CONTEXT OF U.S.-JAPAN CONSULTATIONS ON LATIN AMERICA, AND REFERRED
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 05371 01 OF 02 311238Z

TO AGREEMENT TO CONSULT ON MATTERS OF MUTUAL CONCERN.

3. HORIMURA EXPRESSED SOME SURPRISE AT OUR INDICATION OF THE SERIOUSNESS OF PERU'S DEBT SITUATION. HE SAID HE KNEW THAT LAST MONTH ONE OF THE DIRECTORS OF THE CENTRAL BANK OF PERU HAD VISITED JAPAN TO CONSULT WITH PRIVATE BANKS HERE. ALTHOUGH THE FOREIGN OFFICE WAS NOT

COMPLETELY INFORMED OF THE RESULTS OF THOSE MEETINGS, HE UNDERSTOOD THAT THEY WERE DIFFICULT. THE PRIVATE BANKS WERE QUITE INTERESTED IN PERU'S DISCUSSIONS WITH CONFIDENTIAL BANKS IN THE U.S. AND IN EUROPE, WHERE REQUESTS FOR BRIDGING LOANS WERE UNDERSTOOD TO HAVE FALLEN ON MORE RECEPTIVE EARS. THE OUTCOME OF THESE NEGOTIATIONS, HORIMURA UNDERSTANDS, WILL DEPEND ON PERU'S DISCUSSIONS WITH THE IMF, WHICH HAVE BEEN GOING ON SINCE THE END OF LAST YEAR. HE SAID HE UNDERSTOOD THAT THE IMF HAD ALREADY PROMISED TO GRANT A STAND-BY CREDIT TO PERU, UNDER THE USUAL SEVERE CONDITIONS OF THE THIRD TRANCHE. HE CONCLUDED BY SAYING THAT IF THE NEGOTIATIONS WITH THE U.S. AND EUROPEAN BANKS ARE NOT FRUITFUL, THEN THE SITUATION WILL BE DIFFICULT. WE GOT THE IMPRESSION THOUGH, THAT HORIMURA FEELS THAT THOSE NEGOTIATIONS ARE PROCEEDING SMOOTHLY.

4. HORIMURA SAID THAT THERE IS NO PROBLEM WITH GOJ LOANS TO PERU, ONLY WITH THE PRIVATE BANKS. OUR FIGURES INDICATE THAT OUTSTANDING JAPANESE ODA TO PERU NOW STANDS AT 6.9 BILLION YEN (ABOUT \$30 MILLION AT 230/1). PRIVATE FLOWS, ON APPROVAL BASIS THROUGH 1976, TOTALLED 95.7 BILLION YEN IN DEFERRED PAYMENTS, AND 458.6 BILLION YEN IN INVESTMENTS. HE SAID THAT THE GOJ HAD NO PLANS FOR EXTENDING MORE THAN ALREADY SCHE-
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TOKYO 05371 01 OF 02 311238Z

DULED ODA.

5. HORIMURA HAD NO SPECIFIC SUGGESTIONS REGARDING THE POSSIBLE CALL FOR A PARIS CLUB-TYPE MEETING, ALTHOUGH HE SAID THAT IF THE U.S. SUPPORTED SUCH AN IDEA, JAPAN WOULD HAVE TO "SERIOUSLY CONSIDER" IT. HE SUGGESTED, HOWEVER, THAT THERE ARE OTHER MECHANISMS, E.G., THE CONSULTATIVE GROUP IN THE IBRD, WHICH COULD SERVE AS A FORUM FOR DISCUSSING PERU'S PROBLEMS.

6. HORIMURA ASKED WHETHER WE COULD PROVIDE HIM WITH MORE DETAILS ON PERU'S DEBT CRISIS AND ON WHAT STEPS THE U.S. IS CONSIDERING - EITHER THROUGH THE JAPANESE EMBASSY IN WASHINGTON, OR IN TOKYO. HE ALSO ASKED WHETHER THE U.S. HAD BEEN IN TOUCH WITH THE PERUVIAN GOVERNMENT DIRECTLY, AND ADDED THE KNOWLEDGEABLE COMMENT THAT U.S. ATTITUDES WILL UNDOUBTEDLY HAVE A POLITICAL IMPACT IN PERU. HE SAID HE WOULD CONSULT WITH APPROPRIATE GOVERNMENT OFFICES AND BANKS, AND PASS ON TO US WHATEVER ADDITIONAL INFORMATION HE LEARNED.

7. HORIMURA, DEPUTY DIRECTOR, FIRST CENTRAL AND SOUTH AMERICA DIVISION, MOFA, CALLED THURSDAY AFTERNOON TO

INFORM US THAT HE HAD CHECKED WITH SOME OF THE PRIVATE BANKS IN TOKYO CONCERNING THE PERU SITUATION. HE RELATED THAT WHILE HE GAINED NO SPECIFIC KNOWLEDGE OF THEIR FEELING ON THE PERU SITUATION, HE WAS TOLD THAT THERE HAS BEEN MEETINGS IN NEW YORK SINCE THE BEGINNING OF MARCH A STEERING COMMITTEE COMPOSED OF PRIVATE COMPANIES AND BANKS FROM THE U.S., CANADA, WEST GERMANY, AND JAPAN TO DISCUSS THE SITUATION. THE BANK OF TOKYO IS THE JAPAN REPRESENTATIVES IN THE COMMITTEE. IMF ANALYSES ARE THE BASIS OF THE DISCUSSIONS, BUT THE GROUP HAS COME TO NO CONCLUSIONS AS YET.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 TOKYO 05371 02 OF 02 311240Z
ACTION ARA-10

INFO OCT-01 SS-14 ISO-00 EB-04 TRSE-00 OMB-01 NSC-05
SP-02 INR-05 CIAE-00 DODE-00 NSAE-00 L-01 EA-06
IO-06 /055 W

-----057759 311309Z /43

R 311145Z MAR 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 6663
INFO AMEMBASSY LIMA

C O N F I D E N T I A L SECTION 02 OF 02 TOKYO 05371

LIMDIS

8. HORIMURA SAID THAT HE WAS NOT ABLE TO LEARN THE CONTENT OF THE STEERING GROUP COMMITTEE DISCUSSIONS, AND INQUIRED WHETHER SUCH MIGHT BE AVAILABLE TO THE USG FOR PASSING ON TO THE GOJ. PLEASE ADVISE. MANSFIELD

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL CRISIS, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 mar 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TOKYO05371
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780140-0147
Format: TEL
From: TOKYO
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978031/aaaaaang.tel
Line Count: 157
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b3ee80b7-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: 78 STATE 77638, 78 LIMA 2598
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3095277
Secure: OPEN
Status: NATIVE
Subject: PERU'S BALANCE OF PAYMENTS CRISIS
TAGS: EFIN, PE, JA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/b3ee80b7-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014